

## TO THE SHAREHOLDERS:

Drilling equipment has been airlifted to Cornwallis Island for a well on the Central Dome structure on Great Plains' acreage. This will bring to three the number of rigs working on Company holdings in the Arctic, with wells already in progress on Ellesmere and Loughheed Islands. These three wells represent an estimated \$8,000,000 in expenditures by others on Company acreage. Further drilling is expected on some or all of the five other land blocks under option.

### Cornwallis Island

Drilling operations are expected to soon commence at this location, with the well being scheduled to drill to 10,000 feet or the Precambrian formation.

Great Plains' Cornwallis lands total 1,493,000 gross acres. After deducting all partners' interests, the Company's net share is approximately 15 percent in the 230,000 acre block on which the well is located and 24 percent in most of the remaining 1,263, 000 acres.

### Loughheed Island

At Skybatle Bay on Loughheed Island, intermediate casing has been set to 5,916 feet. The well is now drilling at 6,631 feet with a projected total depth of 12,000 feet or the Precambrian formation. The Company's lands, which comprise 474,000 gross acres, cover nearly the entire Island. Great Plains' net share after deducting all partners' interests is 20 percent.

### Ellesmere Island

The well near Eureka on the prominent Fosheim Anticline, is the most northerly wildcat ever drilled in the Canadian Arctic. Surface casing has been set to 2,096 feet. The well is at 2,197 feet and will be drilled to a total depth of 14,000 feet or the sub-Pennsylvanian unconformity.

*Pictures on front panel show the drilling site on the Fosheim Anticline on Ellesmere Island.*

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### Ownership Dispute

Disputes with certain original participants have arisen with respect to interests in the Eureka acreage. When commenting on these disputes at the Annual Meeting of Great Plains' Shareholders on March 23, 1971, the President stated . . . "After giving effect to all participants' interests, including the Panarctic farm-out and the Hudson's Bay transaction, Great Plains' net equity in this (Fosheim) well is believed to be no less than an 18.4 percent working interest plus a 1.6 percent carried interest". In order to resolve the disputes, the Company initiated litigation on April 2, 1971, seeking a declaration of the courts as to ownership of the disputed interests. After Great Plains had commenced this litigation, certain of the original participants then commenced actions seeking a declaration as to their ownership.

There is also a minor dispute affecting less than one percent of the Company's interest in 298,000 acres on Cornwallis Island.

As these matters are now before the courts, it would be inappropriate to comment further at this time.

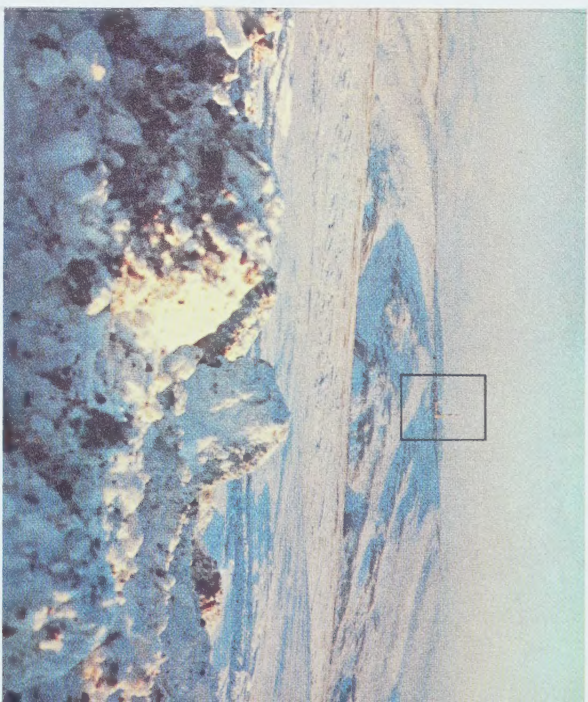
The Company's interests on Loughheed, Melville and Bathurst Islands and most of Cornwallis are not under dispute, nor are certain other small royalty and working interests on Axel Heiberg and Ellesmere Islands.

DAVID E. MITCHELL  
President

Calgary, Alberta  
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**GREAT PLAINS**  
DEVELOPMENT COMPANY OF CANADA, LTD.



**Arctic Islands  
PROGRESS REPORT**

MAY, 1971



# ARCTIC ISLANDS

GREAT PLAINS' LAND HOLDINGS

